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CIA 1-01 TURNER, Adm.

ORCA Commonwealth Club

CIA 4 USSR (economy)

CIA 4-01 MIKULTRA

"Intelligence chief reports" Soviet economy in trouble

San Francisco (AP)—The CIA's director, Adm. Stansfield Turner, said yesterday the Soviet economy is in trouble and details will be made public in Washington next week.

The admiral made the announcement in his first speech after being named Thursday by President Carter to the control of all the nation's intelligence gathering agencies.

Speaking to a luncheon of the 13,000-member Commonwealth Club, Admiral Turner said the Central Intelligence Agency estimates "that Soviet production of oil will fall markedly in about 1980 . . . this will have a major impact on the world's economy."

He said Russia's troubles hinge in part on its oil problems and because of "demographic factors which are going to slow the rate of growth of [its] labor force."

He went on: "Now in neither case . . . are we predicting that the Soviets' economic problems are insurmountable; what

we're simply saying is that some of the characteristics of the Soviet economy—its rigidity, its adherence to a false economic philosophy, some of the indicators of its performance in the recent past—lead us to believe that the Soviet leadership is going to be facing some very difficult periods."

In a news conference preceding his speech, Admiral Turner told reporters the CIA no longer was operating brothels as it did in the mid-1950's for the purpose of luring private citizens to test drug effects.

Admiral Turner said such an operation now was abhorrent, but that years ago the agency was concerned over the possible use of drugs against citizens and in intelligence activities.

Admiral Turner emphasized that the CIA voluntarily released the information on the brothels, which he said were operated in San Francisco and other unspecified places around the country.